



UNITED STATES SENATOR · MICHIGAN
DEBBIE STABENOW
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**Senator Stabenow Hails Passage of Public Accounting
Reform and Investor Protection Act**

Legislation Based on Issues Brought to Light in Wake of Enron Collapse

WASHINGTON—U.S. Senator Debbie Stabenow (D-MI) today hailed the passage of important legislation that will address needed reforms brought to light by the collapse of the Enron Corporation. Based in part on a bill introduced in the Senate Banking Committee in March by Senators Chris Dodd (D-CT), Jon Corzine (D-NJ) and Debbie Stabenow (D-MI), the Public Company Accounting Reform and Investor Protection Act (S.2673) passed the Senate this evening on a vote of 97 to 0. It is now headed for a joint Senate-House conference committee.

“The collapse of Enron and the ongoing investigations into WorldCom and other companies made it very clear that the Senate needed to act quickly to regulate the accounting industry and protect American workers and investors,” said Stabenow. “The legislation we passed sets forth a comprehensive plan to provide independent oversight of the accounting industry and will give investors access to reliable information about public corporations. I am pleased that it received unanimous support and I remain hopeful that it will receive the same strong backing in conference committee.”

Included in the Public Accounting Reform and Investor Protection Act passed today is Senator Stabenow’s amendment to aid corporate whistleblowers. The amendment will require for the first time that employees are provided with a mechanism through which they can confidentially and anonymously report concerns about their corporation’s auditing practices.

“While Enron and WorldCom are the most striking examples of the harm done by corporations that would promote financial gain over ethical accounting practices, they are not alone. I believe that my corporate whistleblower amendment is an important step in providing employees with safe outlets to report such corporate wrongdoings while reducing the fear of retribution from their employer,” said Stabenow.

The Public Company Accounting Reform and Investor Protection Act will:

- Establish for the first time an independent public accounting board, under the oversight of the Securities and Exchange Commission (SEC,) with the ability to set and enforce audit quality and auditing standards
- Enhance scrutiny on mixing of auditing and consulting services
- Work to ensure that the board which sets accounting standards in the United States has a reliable source of funding through SEC fees
- Significantly increase the funding of the SEC to enable it to improve oversight of public accounting
- Increase financial disclosures, as well as information about stock sales by corporate leaders, so the investing public has better information about the financial health of companies